

Chairman Crisco, Chairman Megna and members of the Insurance Committee, I am Gardner Wright representing the Professional Insurance Agents of CT (PIA). I am here today to support HB 6508 An Act Concerning Timely History Reports for Commercial Risk Insurance Policies.

The Professional Insurance Agents of Connecticut, Inc. (PIACT), an association representing more than 500 member independent insurance agents who employ over 3,500 people throughout the state, strongly urges this committee to support Raised H.B. No. 6508 which seeks to reduce the time it takes to receive loss run reports from insurance companies.

A loss run is a list provided by an insurance company to an insurance consumer which shows the past loss experience of the insurance consumer. In order to shop successfully for insurance coverage, an insurance consumer needs to be able to show potential insurers proof of their past loss experience.

The single biggest problem many insurance agents face in quoting commercial business is obtaining loss runs. Moreover, companies currently servicing these nonrenewed or canceled accounts have no incentive to offer assistance.

The changes proposed in this bill would be particularly beneficial to commercial insureds that are looking to replace coverage. It would give additional time to those requesting loss information to seek out and obtain alternative (and quite possibly lower premium) policies and reduce the possibility of a lapse in coverage.

Although in some instances, current Law (Sec. 38a-326) provides these reports along side the notice of nonrenewal or cancellation, these instances are restricted to commercial automobile and general liability insurance policies that are cancelled upon 60 days notice. Moreover, in a select number of instances, current law allows insurers up to sixty days after the receipt of a written request to provide these reports. (Sec. 38a-324) It is in these instances (when an insurer is only required to give 10-days notice of cancellation) that the risk of a lapse in coverage is highest and, therefore, timely provision of these reports most critical.

This bill addresses these issues by applying these protections to all commercial policies (not just commercial auto and general liability) as well as implementing additional protections when the policy is cancelled by the insured, or insurer on 10 days notice.

A 10-day rule would provide better turn-around time, which becomes crucial in achieving certain placements and in coping with current market conditions. With this change, Connecticut follows the lead of a number of other states that are reducing their statutory time limits.

In this day and age of high speed computers there is no reason why these loss run reports can not be routinely available to consumers. This bill will aid your constituents when they are shopping for more affordable insurance and I urge passage.

Thank you for your consideration.